Comparisons of Actuals -- First Quarter 1990 and 1991

1991	First Quarter 1991	1990	Variance	Percentage
Income Statement				
Revenue				
Paying Users	4,286	2,973	1,313	144%
Active Users	2,581	1,843	738	140%
Average Active Hours/User	4	7	(2)	63%
Packet Users	1,182	645	537	183%
Packet hour usage	4,015	2,747	1,268	146%
Leased line usage	89	2,162	(2,073)	4%
Monthly fees	139,417	67,752	71,665	206%
Hourly fees	91,572	97,945	(6,373)	93%
Packet fees	55,849	37,273	18,575	150%
Leased line fees	378	2,767	(2,390)	14%
Disk storage	5,347	10,938	(5,591)	49%
Other Revenue (Reg Fees, Softwar	6,294		6,294	
Discounts	57,898	56,324	1,574	103%
Total Revenue	240,958	160,351	80,607	X150%
Direct Costs				
Packet Services	38,655	29,273	9,382	132%
Phone Services	8,947	2,449	6,498	365%
Support Materials	2,802	3,835	(1,033)	73%
Postage	1,210	723	487	167%
Total Direct Costs	51,614	36,280	15,334	142%
Percent of Gross Revenue	21.42% x	22.63%	-1.21%	95%
Gross Margin	189,344	124,071	65,274	153%
Percent of Gross Revenue	78.58% x	77.37%	1.21%	102%

Comparisons of Actuals -- First Quarter 1990 and 1991

1991	First Quarter 1991	1990	Variance	Percentage
Indirect Costs				
Personnel				
Director	14,466	12,552	1,914	115%
System Admin	9,103	8,893	209	102%
Engineer	8,852		8,852	
Customer Support	12,344	8,761	3,582	141%
Marketing Director	10,500	9,300	1,200	113%
Accounts Manager	9,450	8,600	850	110%
Admin. Asst.	7,440	4,194	3,246	177%
Bookkeeper	1,800	1,365	435	132%
Payroll Taxes	6,848	4,081	2,767	168%
Benefits	3,823	3,816	7	100%
	84,625	61,563	23,062	137%
Percent of Gross Revenue	35.12%	38.39%	-3.27%	91%
Computer Operations				
Computer Space Rent	1,350	150	1,200	900%
Electricity	947	990	(43)	96%
Hardware	63	116	(52)	55%
Software (System and re-sale)	305		305	
Modems				
Maintenance & Repair	4,443	2,772	1,671	160%
Contract Programming		825	(825)	
	7,108	4,853	2,255	146%
Percent of Gross Revenue	2.95%	3.03%	-0.08%	97%
Sales/Marketing				
Travel & entertainment	573	141	431	405%
Promotional materials	222	68	154	327%
Advertising	1,960	1,825	135	107%
Network subscriptions	71		71	
Telephone				
Complimentary WELL time				
	2,826	2,034	792	139%
Percent of Gross Revenue	1.17%	1.27%	-0.10%	92%

Comparisons of Actuals -- First Quarter 1990 and 1991

1991	First Quarter 1991	1990	Variance	Percentage
Office				
Office Rent	5,130	4,320	810	119%
Utilities	767	477	289	161%
Postage	1,086	568	518	191%
Computer Hardware	2,424	547	1,877	443%
Computer Software	228	212	17	108%
Phones	1,702	495	1,206	343%
Office Supplies	2,477	1,411	1,066	176%
Temp Labor	2,234	111	2,122	2006%
Repairs & Maintenance	604	65	539	929%
Communications	9	20	(11)	45%
	16,659	8,226	8,433	203%
Percent of Gross Revenue	6.91%	5.13%	1.78%	135%
Customer Support				
Labor				
Complimentary WELL Time				
Training				
Percent of Gross Revenue				
General & Administrative				
Insurance	886	480	406	185%
Depreciation	6,602	4,731	1,871	140%
Bad Debts	4,839	11,003	(6,164)	44%
Outside Professional Services	2,438	585	1,853	417%
Licenses, Fees, Taxes, Membershi	1,013		1,013	
Bank Fees	4,952	2,157	2,796	230%
Miscellaneous	480	1,771	(1,290)	27%
Non-taxable Donations	400		400	
Board-related Expenses	679	801	(122)	85%
	22,290	21,527	763	104%
Percent of Gross Revenue	9.25%	13.42%	-4.17%	69%
Total Indirect Costs	133,508	98,203	35,305	136%
Percent of Gross Revenue	55.41%	61.24%	-5.84%	90%
Total Costs	185,122	134,483	50,639	138%
Percent of Gross Revenue	76.83%	83.87%	-7.04%	92%

Comparisons of Actuals -- First Quarter 1990 and 1991

1991	First Quarter 1991	1990	Variance	Percentage
Earnings Before Int & Taxes	55,837	25,868	29,969	216%
Percent of Gross Revenue	23.17%	16.13%	7.04%	144%
Interest Income (Expense)				
Interest rec'd from cash in bank	385		385	
Sequent loan interest paid	(631)	(863)	233	73%
	(246)	(863)	618	28%
Earnings Before Taxes	55,591	25,005	30,586	222%
Corporate taxes	20,013	2,650	17,363	755%
Earnings	35,578	22,355	13,223	159%
Dividends				
Net Earnings	35,578	22,355	13,223	159%
Capital Budget				
Sequent expansion		17,550	(17,550)	
Modems	6,274		6,274	
Office equipment		2,585	(2,585)	
Other				
	6,274	20,135	(13,862)	31%

Comparisons of Actuals -- First Quarter 1990 and 1991

1991	First Quarter 1991	1990	Variance	Percentage
BALANCE SHEET				
Short Term Assets				
Cash in bank	11,515	7,473	4,042	154%
Accounts receivable	61,959	39,608	22,351	156%
Credit card vouchers	82,984	42,479	40,505	195%
Other	8,496		8,496	
	160,114	89,560	70,555	179%
Long Term Assets				
P & E	172,354	138,872	33,482	124%
Accumulated depreciation	(46,580)	(41,315)	(5,266)	113%
	125,774	97,558	28,216	129%
	285,888	551,701	(265,812)	52%
Short Term Liabilities				
Prepaid usage	9,228	3,070	6,158	301%
Accounts payable	16,318	29,391	(13,073)	56%
Sequent loan (current period)	7,500	7,500		100%
NETI loan (current period)	30,000		30,000	
Payroll taxes payable	1,314	5,621	(4,306)	23%
Corporate taxes payable	18,257		18,257	
	97,921	45,581	52,340	215%
Long Term Liabilities				
NETI advance	25,000		25,000	
Sequent loan	9,539	16,968	(7,428)	56%
	34,539	16,968	17,572	204%
Stockholders Equity				
Common Stockholders	27,990	115,490	(87,500)	24%
Retained earnings	105,164	(277)	105,441	-37982%
Current Period Earnings	35,578	9,355	26,223	380%
	168,732	124,568	44,164	135%
	285,888	187,117	98,771	153%